

GOVERNOR'S HOUSING COMMITTEE

Meeting Minutes
December 10, 2018

A meeting of the Governor's Housing Committee was held on this date in Room B-9, Len B. Jordan Building, 650 W. State Street, Boise, Idaho. Chairman Winder called the meeting to order at 1:35 pm.

Members Present:

Senator Chuck Winder, Chairman
Senator Maryanne Jordan
Representative Robert Anderst (at 1:45 pm)
Representative Melissa Wintrow
Robert L. Geddes, Director, Department of Administration

Others Present:

Keith Reynolds, Deputy Director and CFO, Department of Administration
Jan Frew, Administrator, Division of Public Works
Marilyn Whitney, Deputy Chief of Staff, Office of the Governor
Julie Weaver, Deputy Attorney General
Betsy Russell, Idaho Press Tribune
Susan Cornett, Horizon View Drive Neighbor
Roy and Mary Glen, Horizon View Drive Neighbors
Diane Blume, Program Specialist, Department of Administration

APPROVAL OF MINUTES

MOTION: Senator Jordan moved, and it was seconded by Representative Wintrow that the minutes of the October 15, 2018 Governor's Housing Committee meeting be adopted as written. The motion passed unanimously.

FINANCIAL UPDATE

Governor's Residence Operating Fund Cash Flow, as of October 31, 2018

The year began with a balance of \$448,349, Mr. Reynolds pointed out, and \$3,124 has been earned in interest. Cash expenses were \$25,750 leaving a cash balance of \$425,723.

Governor's Residence Fund FY2019 Budget to Actual as of October 31, 2018

The FY19 budget is \$60,000, he continued, and actual expenses are \$25,750. Not budgeted was a payment of \$1,750 for an appraisal of Lot #10.

Cash Flow from Special Projects Fund as of October 31, 2018

The Special Projects Fund, first established with the Idaho Community Foundation, began the year with a cash balance \$176,721; interest earned is \$1,193, ending in a cash balance of \$177,915.

FORT BOISE PROPERTY UPDATE AND DISCUSSION

License/Maintenance Agreement, Lot #9

Mr. Reynolds reported that the maintenance agreement with the City of Boise for Lot #9 has been finalized.

Official Emergency Corridor Width, Value of Lot #10, and Potential Sale

Before the city can consider acquisition of Lot #10, it must first be reviewed by the Boise Open Space and Clean Water Advisory Committee, and that has yet to be accomplished. Additionally, he said, the Boise Fire Department has recommended 12' to 15' be allowed for an adequate easement on Lot #10 for access to Lot #9.

Chairman Winder suggested the department continue to work with the city on both lots and report back.

DISPOSAL OF INVENTORY FROM THE IDAHO HOUSE

Mr. Reynolds deferred to Marilyn Whitney, Deputy Chief of Staff for the Governor to report on the Idaho House inventory.

The Governor and Mrs. Otter have requested the purchase of some remaining items from the Idaho House, now located at their residence in Star, Ms. Whitney explained. An inventory has been completed, and they have since been issued an invoice. Property from the Idaho House they did not wish to acquire was sent to auction.

Historic items from the original Governor's Residence such as china, silver, etc. have been consolidated and stored in the basement of the parking garage along with a detailed inventory for use by the next administration. There are also some historic items no longer in use that the Historical Society has offered to add to its collection.

DISCUSSION AND APPROVAL OF FUTURE STIPEND AMOUNT

At the direction of the committee, Mr. Reynolds created a spreadsheet showing average housing costs in Boise's north end. He followed the guideline used when the current stipend was established, he said, which included several assumptions.

With a 4.875% interest on a 30-year, 90% note for a median home price of \$452,000, the monthly mortgage payment would be \$2,153, he said. Research of utility costs—sewer, water, trash, cable/interest, electric, gas— came up with a monthly cost of \$360. Homeowners insurance was estimated at \$83 monthly, and property tax without homeowner's exemption was \$572. Therefore, total monthly cost was calculated at \$3,168, he said. Because this amount is taxable, a 30.75% combined rate was applied to bring the monthly stipend up to \$4,551.

In 1998 the committee calculated a \$4,600 stipend based on a similar calculation, although only \$4,000 was approved, he explained. The biggest difference between that and the most recent calculation is the 8.2% interest rate in 1998 compared to the current rate of 4.875%.

Chairman Winder noted that as circumstances change, the stipend amount can be modified. It is up to the committee to determine how often the stipend is reassessed.

For discussion purposes, Senator Jordan noted that Idaho Code Title 67 Chapter 4 establishes the committee and specifically states that the Governor's Residence Fund is..."set apart for the purposes of providing a governor's housing allowance and the acquisition, construction, remodel, furnishing, equipping or maintenance of a governor's residence and the same shall be available for such purposes immediately upon being credited to the account..." She said her interpretation is the committee is to provide both a stipend and a home. She proposed the code be updated based on a committee's recommendation that a home should not be pursued any longer based on the availability of other venues for entertaining. Chairman Winder replied that since Governor Andrus, governors have lived in a variety of housing situations with the support of a stipend, but this does not preclude a future committee from pursuing a residence. He said he doesn't recommend changing the code because a future committee may need to change it back. The way it is written provides flexibility, he explained.

MOTION: Representative Anderst moved and it was seconded by Director Geddes that the committee approve the recommendation provided by the Department of Administration for an ongoing annual stipend established at \$54,608. The motion passed three votes to two. Senator Jordan and Representative Wintrow voted no.

ADJOURNMENT

Chairman Winder adjourned the meeting of the Governor's Housing Committee at 2:00 p.m.



Diane K. Blume, Program Specialist
Department of Administration